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Pace of new construction slows

New home construction in the Windsor Census Metropolitan Area (CMA) was weak throughout 2005. A combination of weak job growth, poor consumer confidence and rising borrowing costs contributed to the slowdown. Total starts came in 35 per cent below 2004 levels and registered as the lowest level in ten years. Single detached home starts in the Windsor Census Metropolitan Area (CMA) fell by 28 per cent while multiple starts dropped by nearly half.

Single detached home starts were down in all five municipalities of the CMA, most significantly in Amherstburg and Tecumseh. LaSalle

fared the best, dropping only 11 per cent from 2004 figures. Absorptions have averaged 98 homes per month, approximately 28 per cent lower than last year's pace.

The average price of homes completed and sold jumped 14 per cent in the fourth quarter of 2005. This contributed to an annual increase of ten per cent from 2004 figures. The strongest increase was in Tecumseh at 21 per cent due to the completion and sale of some very large and higher priced homes.

Significant changes by price range were seen in the decline in the

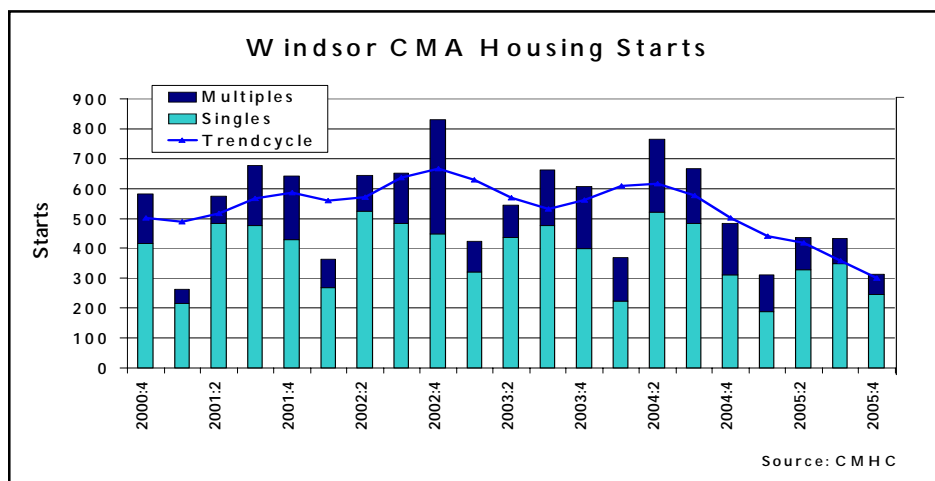
FOURTH QUARTER 2005

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share of new homes in the under \$175,000 in both Tecumseh and LaSalle, and the increase in \$300,000+ homes in Windsor City and Lakeshore. In Amherstburg the share of new residential construction under \$175,000 and over \$250,000 grew.

Multiple family home starts declined by 60 per cent compared to the fourth quarter 2004. The greatest declines were in the number of semi-detached and ownership townhouses and apartments. This decline comes on the heels a very good year for new multiple construction in 2004.



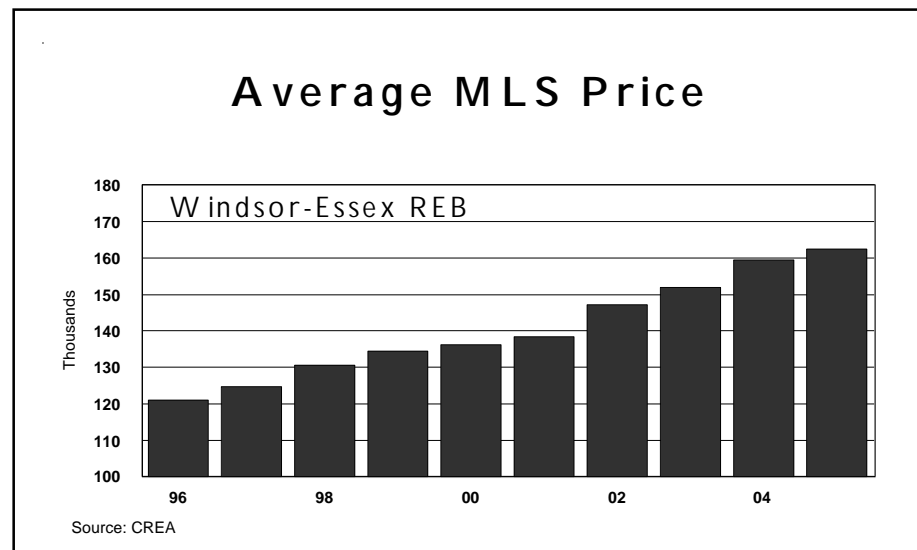
Margot Stevenson, CMHC - Market Analysis, London Office
 Direct Line: (519) 873-2407 * Fax: (519) 438-5266
 mstevens@cmhc-schl.gc.ca * www.cmhc.ca

Resale Market

Move to homeownership continues

Windsor-Essex had the third strongest number of MLS sales on record in 2005. The 5,446 sales were off seven per cent from the record set in 2004 and on par with 2003. Forth quarter sales were down six per cent or 68 homes.

The slower pace can be attributed to plateauing job growth on the tail of several strong years and slightly lower levels of in-migration. Employment levels in the Windsor CMA have moved within a narrow band since the beginning of the year. A drop in the number of people looking for work lowered the unemployment rate to under seven per cent by the end of the year. Manufacturing employment continued to expand and will help attract people to the Windsor area over the coming years.



The cost of carrying a \$100,000 mortgage, (principal and interest payment assumes a five year mortgage rate and 25 year amortization period), was up slightly in December to \$658 compared to \$643 one year earlier due to higher interest rates.

The average annual price in 2005 came in at \$162,500 up nearly two per cent from 2004. Over the last five years the average home price increased

more than \$26,000, or nearly 20 per cent. Strong price growth encourages homeowners to realize equity gains by listing and selling their homes. New listings in the fourth quarter hit 2,391 units, the most listings ever for a fourth quarter. In October, 1044 new homes were listed, the busiest October on record.

The resale home market has moved into a balanced state, a state where neither the buyer nor the seller has an advantage in price negotiations. The sales-to-new listings ratio, a measure of market state, has been within the 40-60 per cent range associated with a buyers market throughout the fourth quarter.

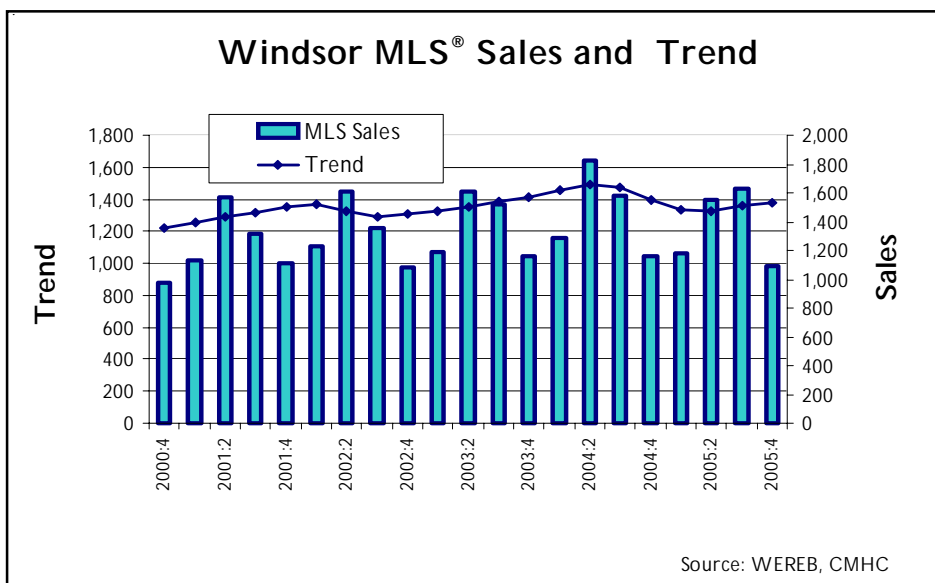


Table 1: Housing Activity Summary for Windsor CMA

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD		CONDOMINIUM			ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q4 2005	245	14	43	0	0	0	12	314
Q4 2004	311	54	52	4	0	8	56	485
% Change	-21.2	-74.1	-17.3	-100.0	NA	-100.0	-78.6	-35.3
Year-to-date 2005	1,110	96	166	0	74	16	34	1,496
Year-to-date 2004	1,539	194	239	12	176	20	107	2,287
% Change	-27.9	-50.5	-30.5	-100.0	-58.0	-20.0	-68.2	-34.6
UNDER CONSTRUCTION								
December 2005	281	16	69	0	0	0	12	378
December 2004	351	58	155	4	88	8	97	761
COMPLETIONS								
Q4 2005	315	34	44	0	0	12	12	417
Q4 2004	463	66	55	0	0	12	8	604
% Change	-32.0	-48.5	-20.0	NA	NA	0.0	50.0	-31.0
Year-to-date 2005	1,180	138	256	0	162	24	119	1,879
Year-to-date 2004	1,638	184	224	0	134	16	36	2,232
% Change	-28.0	-25.0	14.3	NA	20.9	50.0	**	-15.8
COMPLETE & NOT ABSORBED								
December 2005	12	4	0	0	0	0	0	16
December 2004	7	4	8	0	0	0	0	19
ABSORPTIONS								
Q4 2005	309	40	49	0	8	12	12	430
Q4 2004	465	65	47	0	10	12	8	607
% Change	-33.5	-38.5	4.3	NA	-20.0	0.0	50.0	-29.2
Year-to-date 2005	1,175	138	264	0	162	24	119	1,882
Year-to-date 2004	1,640	192	227	0	145	16	36	2,256
% Change	-28.4	-28.1	16.3	NA	11.7	50.0	**	-16.6

*Includes all market types

** Year-over-year change greater than 200 per cent.

Source: CMHC

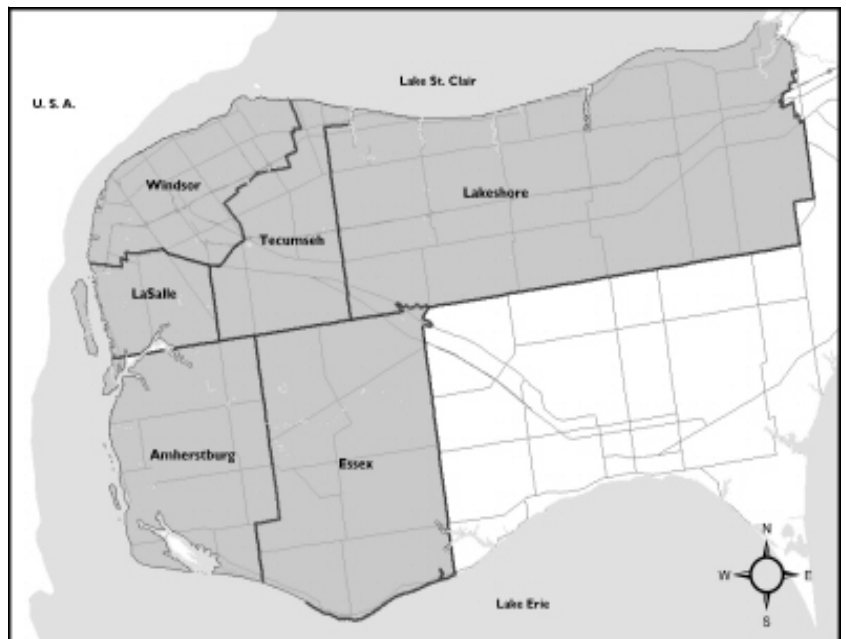


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q4 2004	Q4 2005	% change	Q4 2004	Q4 2005	% change	Q4 2004	Q4 2005	% change
Windsor CMA	311	245	-21.2	174	69	-60.3	485	314	-35.3
Windsor City	171	153	-10.5	132	54	-59.1	303	207	-31.7
LaSalle Town	28	23	-17.9	20	6	-70.0	48	29	-39.6
Lakeshore Township	70	50	-28.6	12	6	-50.0	82	56	-31.7
Amherstburg Township	31	19	-38.7	0	3	NA	31	22	-29.0
Tecumseh Town	11	0	-100.0	10	0	-100.0	21	0	-100.0

Table 2B: Starts by Area and by Intended Market - Year-to-Date

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	YTD 2004	YTD 2005	% change	YTD 2004	YTD 2005	% change	YTD 2004	YTD 2005	% change
Windsor CMA	1,539	1,110	-27.9	748	386	-48.4	2,287	1,496	-34.6
Windsor City	790	580	-26.6	610	265	-56.6	1,400	845	-39.6
LaSalle Town	128	114	-10.9	42	41	-2.4	170	155	-8.8
Lakeshore Township	414	312	-24.6	58	28	-51.7	472	340	-28.0
Amherstburg Township	167	86	-48.5	12	9	-25.0	179	95	-46.9
Tecumseh Town	40	18	-55.0	26	43	65.4	66	61	-7.6

Table 3: Average Price of Completed and Absorbed Single-Detached Dwellings (\$)

Sub Market Area	Q4 2004	Q4 2005	% Change	YTD 2004	YTD 2005	% Change
Windsor CMA	212,796	242,721	14.1	213,469	234,959	10.1
Windsor City	191,984	213,975	11.5	193,467	205,982	6.5
LaSalle Town	228,872	271,443	18.6	241,385	275,957	14.3
Lakeshore Township	233,440	274,018	17.4	232,037	264,900	14.2
Amherstburg Township	242,459	289,314	19.3	229,982	241,735	5.1
Tecumseh Town	229,042	295,000	28.8	252,949	305,634	20.8

** Year-over-year change greater than 200 per cent.

Note: NA may appear where CMHC data suppression rules apply

Source: CMHC

Table 4: Completed and Absorbed Single-Detached Units by Price Range

AREA	PRICE RANGES										TOTAL
	<\$149,999		\$150-\$174,999		\$175-\$249,999		\$250-\$299,999		\$300,000+		
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
Windsor CMA											
Q4 2005	1	0.3	74	23.9	130	42.1	43	13.9	61	19.7	309
Q4 2004	14	3.0	172	37.0	184	39.6	47	10.1	48	10.3	465
YTD 2005	12	1.0	331	28.2	472	40.2	134	11.4	226	19.2	1,175
YTD 2004	40	2.4	618	37.7	627	38.2	159	9.7	196	12.0	1,640
Windsor City											
Q4 2005	1	0.6	58	34.7	80	47.9	14	8.4	14	8.4	167
Q4 2004	14	5.9	110	46.6	82	34.7	17	7.2	13	5.5	236
YTD 2005	11	1.8	255	42.6	235	39.2	37	6.2	61	10.2	599
YTD 2004	35	4.2	424	51.0	255	30.6	58	7.0	60	7.2	832
LaSalle Town											
Q4 2005	0	0.0	2	6.1	8	24.2	11	33.3	12	36.4	33
Q4 2004	0	0.0	9	22.0	17	41.5	8	19.5	7	17.1	41
YTD 2005	1	0.9	4	3.4	41	35.0	31	26.5	40	34.2	117
YTD 2004	1	0.7	38	27.3	45	32.4	23	16.5	32	23.0	139
Lakeshore Township											
Q4 2005	0	0.0	10	12.2	34	41.5	12	14.6	26	31.7	82
Q4 2004	0	0.0	34	27.0	60	47.6	12	9.5	20	15.9	126
YTD 2005	0	0.0	39	11.8	150	45.3	51	15.4	91	27.5	331
YTD 2004	2	0.4	102	21.9	239	51.4	53	11.4	69	14.8	465
Amherstburg Township											
Q4 2005	0	0.0	4	18.2	6	27.3	5	22.7	7	31.8	22
Q4 2004	0	0.0	15	31.3	21	43.8	6	12.5	6	12.5	48
YTD 2005	0	0.0	32	31.7	35	34.7	12	11.9	22	21.8	101
YTD 2004	1	0.6	45	26.3	81	47.4	19	11.1	25	14.6	171
Tecumseh Town											
Q4 2005	0	0.0	0	0.0	2	40.0	1	20.0	2	40.0	5
Q4 2004	0	0.0	4	28.6	4	28.6	4	28.6	2	14.3	14
YTD 2005	0	0.0	1	3.7	11	40.7	3	11.1	12	44.4	27
YTD 2004	1	3.0	9	27.3	7	21.2	6	18.2	10	30.3	33

Source: CMHC

Note: N/A may appear where CMHC data suppression rules apply

Table 5: Resale Housing Activity for Windsor Real Estate Board

		Number of Sales	Yr/Yr %	Number of New Listings	Average Price (\$)	Yr/Yr %
2004	January	271	-15.8	770	144,757	-1.2
	February	388	-3.0	901	152,978	4.1
	March	624	33.3	1,125	154,335	7.5
	April	613	24.8	1,156	157,942	8.2
	May	543	4.2	998	161,803	3.1
	June	672	13.1	985	166,588	5.9
	July	510	-15.6	988	160,394	3.0
	August	510	6.3	997	171,179	8.9
	September	559	28.5	1,040	167,550	14.7
	October	429	-7.7	914	155,157	-0.1
	November	428	15.7	829	151,140	-1.9
	December	303	-5.9	530	159,201	4.4
2005	January	297	9.6	960	158,738	9.7
	February	398	2.6	938	155,450	1.6
	March	482	-22.8	1,008	169,214	9.6
	April	536	-12.6	1,214	160,881	1.9
	May	396	-27.1	938	155,450	-3.9
	June	618	-8.0	1,232	170,068	2.1
	July	521	2.2	1,004	168,106	4.8
	August	600	17.6	1,161	160,962	-6.0
	September	508	-9.1	993	163,697	-2.3
	October	459	7.0	1,044	163,020	5.1
	November	384	-10.3	886	152,595	1.0
	December	249	-17.8	461	164,214	3.1
Q4 2004		1,160	0.3	2,273	154,731	0.4
Q4 2005		1,092	-5.9	2,391	159,627	3.2
YTD 2004		5,850	6.9	11,233	159,618	5.0
YTD 2005		5,448	-6.9	11,839	162,482	1.8

	Annual Sales	Yr/Yr %	Annual New Listings	Annual Average Price (\$)	Yr/Yr %
1996	5,171	12.7	9,938	121,088	3.2
1997	5,045	-2.4	9,875	124,631	2.9
1998	5,015	-0.6	9,853	130,523	4.7
1999	5,077	1.2	8,778	134,490	3.0
2000	4,968	-2.1	8,664	136,318	1.4
2001	5,127	3.2	8,737	138,485	1.6
2002	5,265	2.7	8,757	147,218	6.3
2003	5,472	3.9	9,451	151,948	3.2

Table 6: Economic Indicators

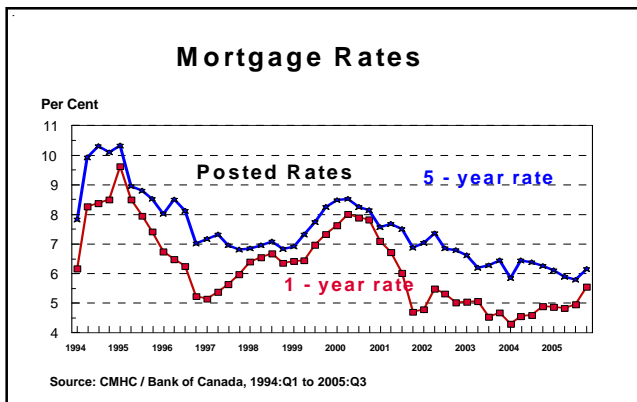
		Interest and Exchange Rates			Inflation Rate (%)	NHPI*** % chg.	Windsor CMA Labour Market			
		P & I* Per \$100,000	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)	Ontario 1996=100	Windsor CMA 1997=100	Employment SA** (.000)	Employment SA m/m (%)	Unemployment Rate (%) SA
			1 Yr. Term	5 Yr. Term						
2004	January	642.78	4.3	6.1	0.755	1.5	0.0	163.1	0.9	7.6
	February	627.97	4.3	5.8	0.749	0.8	0.0	163.0	-0.1	7.7
	March	622.08	4.3	5.7	0.763	1.1	0.0	163.6	0.4	7.4
	April	648.75	4.5	6.2	0.729	2.3	0.0	162.4	-0.7	7.8
	May	669.82	4.6	6.5	0.733	2.8	0.0	162.3	-0.1	8.0
	June	681.99	4.7	6.7	0.750	2.4	0.0	161.7	-0.4	8.5
	July	672.86	4.6	6.6	0.752	2.4	0.0	161.7	0.0	8.6
	August	657.75	4.4	6.3	0.762	1.5	0.7	162.1	0.2	9.1
	September	657.75	4.8	6.3	0.793	1.5	0.9	163.9	1.1	9.0
	October	663.77	4.9	6.4	0.821	2.1	0.9	163.9	0.0	9.4
	November	657.75	5.0	6.3	0.843	2.2	0.9	164.2	0.2	9.6
	December	642.78	4.8	6.1	0.832	1.9	0.9	162.8	-0.9	9.7
2005	January	642.78	4.8	6.1	0.806	1.6	2.4	161.5	-0.8	9.9
	February	642.78	4.8	6.1	0.811	2.2	3.1	161.3	-0.1	9.3
	March	654.74	5.1	6.3	0.827	2.3	2.9	161.9	0.4	8.9
	April	642.78	4.9	6.1	0.795	2.3	2.8	163.6	1.1	8.1
	May	636.84	4.9	6.0	0.797	1.5	3.5	163.3	-0.2	8.3
	June	622.08	4.8	5.7	0.816	1.9	3.6	162.2	-0.7	8.5
	July	627.97	4.9	5.8	0.817	1.9	3.6	161.5	-0.4	8.4
	August	627.97	5.0	5.8	0.842	2.7	2.9	161.3	-0.1	7.9
	September	627.97	5.0	5.8	0.860	3.3	2.7	161.5	0.1	7.8
	October	639.81	5.3	6.0	0.847	2.5	2.6	162.2	0.4	7.5
	November	648.75	5.6	6.2	0.857	2.0	2.6	162.7	0.3	7.2
	December	657.75	5.8	6.3	0.860	2.1		164.9	1.4	6.9

* Principal and Interest Payment assumes a five year mortgage rate and 25 year amortization period.

** Seasonally Adjusted

*** New Housing Price Index

Source: CMHC, Statistics Canada Labour Force Survey



Definitions

- 1. Starts:** refers to units where construction has advanced to a stage where full (100%) footings are in place. For multiple dwellings (semi-detached, row housing and apartments) the definition of a start applies to the structure or block of row units rather than to the project as a whole.
- 2. Under Construction:** those units which have been started but which are not complete.
- 3. Completions - Single-detached/semi-detached units:** this generally is the stage at which all proposed construction work is complete. A unit may be completed at the 90% stage where the remaining work is largely cosmetic. **Row housing/ Apartment:** completions means that 90% or more of the dwelling units within a block of row units or an apartment structure are completed and ready for occupancy
- 4. Completed and Not Absorbed:** all completed units of new construction (excluding model homes not available for sale) which have never been sold or leased.
- 5. Absorptions:** the number of completed units (excluding model homes) that have been sold or leased.
- 6. Seasonally Adjusted (SA):** Actual monthly (or quarterly) figures adjusted to remove normal seasonal variation.
- 7. Seasonally Adjust Annual Rates (SAAR):** Seasonally adjusted monthly figures multiplied by 12 (or quarterly figures multiplied by 4) to reflect annualized levels of activity.
- 8. Definitions for CMA, NHPI, CPI, and Inflation Rate** can be found in the Statistics Canada website - <http://www.statcan.ca>

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